



THE ATTORNEY GENERAL OF TEXAS

AUSTIN 11, TEXAS

**WILL WILSON
ATTORNEY GENERAL**

August 31, 1960

Hon. Zollie C. Steakley
Secretary of State
Capitol Station
Austin, Texas

Opinion No. WW-927

Re: Is a non-profit water supply or sewer service corporation organized pursuant to Acts 1933, 43rd Leg., 1st C.S., Chap. 76, as amended, exempt from the payment of franchise tax.

Dear Mr. Steakley:

You have requested our opinion as to whether a non-profit water supply or sewer service corporation organized pursuant to Acts 1933, 43rd Leg., 1st C.S., Chap. 76, as amended, is exempt from the payment of franchise taxes.

The 56th Legislature in its 1st Called Session in 1959 passed Senate Bill No. 12 amending Art. 7094, Revised Civil Statutes of Texas, Chap. 8, Title 122, and specifically exempted non-profit water supply or sewer service corporations from liability for franchise tax in the following language:

"The franchise tax imposed by this chapter shall not apply to . . . non-profit water supply or sewer corporations organized pursuant to Acts of 1933, 43rd Leg., 1st C.S., Chap. 76, as amended."

This act was passed by the Senate June 12, 1959 and by the House June 16, 1959 and was due to become effective September 15, 1959.

However, in its Third Called Session the 56th Legislature passed House Bill No. 11, which became effective September 1, 1959, creating a new title of the Revised Civil Statutes of Texas known as "Title 122A, Taxation-General" and in Art. 12.03 of Chapter 12, Title 122A, listed the corporations exempt from the payment of the franchise tax, but omitted non-profit water supply or sewer corporations from the list of exempt corporations.

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Art. 24.01, Chapter 24, Title 122A, Section 7(b) provides that:
"The following statutes and acts, together with all laws or parts of laws
in conflict herewith, are hereby repealed: Revised Civil Statutes of
Texas, 1925, . . . Articles 7084 through 7097 (Franchise Tax) as amended;
..."


Since Art. 7094 as amended by Senate Bill No. 12, Acts 56th Leg.,
1st Called Session, 1959, was repealed in its entirety by Art. 24.01,
Sec. 7(b), Title 122A, the exemption of non-profit water supply or sewer
corporations contained therein was repealed and such corporations are
not and never were exempt from the payment of franchise tax.

SUMMARY

Non-profit water supply or sewer service corporations organized pursuant to
Acts 1933, 43rd Leg., 1st C.S., Chap. 76,
as amended, are not exempt from the payment of the franchise tax imposed by Art.
12.01, Chap. 12, Title 122A, R.C.S. of
Texas.

Yours very truly,

WILL WILSON
Attorney General of Texas

By 
C. K. Richards
Assistant Attorney General

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APPROVED:

OPINION COMMITTEE:

W. V. Geppert, Chairman
Ben M. Harrison
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REVIEWED FOR THE ATTORNEY GENERAL
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